

Indian Institute of Technology Kanpur

ECO 522A: Monetary Economics

Syllabus

The various dimensions of this course are outlined below. However, due to the dynamic situation we are all living in, some components (especially course assessment) might change at a short notice.

1) Course Overview:

The course will be offered as a Department Elective for Economics UG students. It introduces the students to the demand and supply of money, monetary policy tools and effectiveness of monetary policy in various macroeconomic models. At the same time, it elaborates on the role of the central bank in the economy. Moreover, we will also discuss the role of money in macro models.

2) Pre-Requisites: ECO221 Macroeconomics I

3) Tentative Course Schedule:

Topic	Suggested Number of Lectures
I) Monetary Policy in the Basic Macro Model – Definition of money, Quantity Theory of Money	3
II) Demand for Money – Transaction, Speculative and Precautionary	3
III) Role of Central Bank and its Credibility	6
IV) Targets versus Instruments	3
V) Expectations and Monetary Policy	2
VI) Theory of Monetary Aggregate	3

VII) Money in Macroeconomy	4
VIII) Monetary Policy Issues	2

4) Textbooks and Reading Material:

- a) *Monetary Economics* by Jagdish Handa
- b) *Macroeconomics: Theory and Policies* by Richard T Froyen
- c) *Handbook of Monetary Economics*
- d) Journal articles as recommended in class.